

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7541

BILL NUMBER: HB 1900

NOTE PREPARED: Jan 19, 2003

BILL AMENDED:

SUBJECT: Consumer-Directed Care Medicaid Waiver for Elderly and Disabled.

FIRST AUTHOR: Rep. Frizzell

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Office of Medicaid Policy and Planning to apply for a Medicaid waiver that would allow certain Medicaid-eligible elderly and disabled persons to receive a cash allowance or control of a specific budget so that they may purchase certain eligible services. The bill allows the Office to include a request that the Office provide an eligible Medicaid recipient with a case manager to assist the recipient.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill may have a neutral fiscal impact depending upon the treatment of the number of funded Medicaid waiver slots the Office is required to implement. This bill would require the Office of Medicaid Policy and Planning to develop and submit a waiver application for a "cash and counseling" Medicaid demonstration and evaluation waiver. Eligible Medicaid recipients would be individuals already receiving Medicaid Home and Community-Based (HCB) Waiver services. If an individual client moves to a new "cash and counseling" waiver slot and the existing (HCB) waiver slot is frozen and remains unfilled, the fiscal impact of the new waiver should be neutral. If the client moves to the new waiver slot and the existing slot is filled in the next year, the fiscal impact would be estimated to be the number of slots in the "cash and counseling" waiver times the average cost of providing HCB waiver services in the specific waiver the client left.

Under "cash and counseling" waivers, beneficiaries receive a cash allowance to hire helpers directly instead of relying on services provided by agency employees. The amount of the cash they receive from Medicaid is equivalent to the dollar value of the services they would receive if they continued to receive agency-directed services. Waiver clients, or another party qualified to direct the provision of services if the client

is unable, may hire family members, friends, and neighbors whom they trust rather than allowing strangers into their homes to assist with personal care tasks. This often allows clients to schedule assistance when they most need it, including evenings, nights, and weekends. The option allows clients to choose the combination of goods and services that best suits their needs. This bill would also allow the Office to include case management services as a waiver service to assist clients with needs assessments and budgets.

The Division of Disability, Aging, and Rehabilitative Services (DDARS) reports that self-directed attendant care is now an available option in all the waivers that include attendant care. The Division reports that implementation of this alternative is imminent in the Aged and Disabled waiver.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning, and the Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected: Area Agencies on Aging.

Information Sources: Amy Kruzan, Legislative Liaison for the Family and Social Services Administration, (317) 232-1149.

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